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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider the  
Adoption of a General Order and Procedures  
to Implement the Digital Infrastructure and  
Video Competition Act of 2006.

R.06-10-005

**REPLY COMMENTS  
OF SUREWEST TELEVIDEO (U 6324 C)**

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1 **I. INTRODUCTION.**

2 Pursuant to the schedule adopted in the Commission's Order Instituting Rulemaking 06-10-  
3 005 ("OIR"), SureWest TeleVideo ("SureWest") provides these reply comments in response to  
4 opening comments filed in this proceeding on October 25, 2006.

5 Based on some parties' comments, there appears to be a fundamental misunderstanding  
6 regarding the scope of the Commission's role in administering the new state-issued video  
7 franchises authorized under the Franchise Act.<sup>1</sup> Notwithstanding invitations made in opening  
8 comments to expansively interpret the Commission's role in the video services market, SureWest  
9 urges that the Commission carefully evaluate any rule it intends to adopt to ensure that the rule  
10 comports with the limited scope of authority granted to the Commission under the Franchise Act.  
11 As discussed in opening comments filed by SureWest and other parties, the default approach for  
12 rules in the proposed General Order should be to track statutory language.

13 Along these lines, SureWest responds to opening comments proposing an expanded  
14 application process, comments proposing a more active role for the Commission, both through  
15 data gathering and resolving protests of initial applications, and comments proposing a complex  
16 framework for addressing cross-subsidization.

17 In addition, these reply comments also address the parent company issue created by the  
18 proposed General Order, the collection of the User Fee, a proposed definition of "socioeconomic"  
19 in conjunction with statutory requirements, and the appropriate size of any bond required of  
20 franchisees.

21 Finally, SureWest recognizes concerns expressed by some commenting parties that the  
22 tight schedule adopted for this proceeding makes it difficult to fully vet the proposed rules.  
23 SureWest supports the Commission's effort to have in place as soon as possible rules related to the  
24 application for a state-issued franchise. However, SureWest believes there is less urgency to adopt  
25 rules related to amendments, renewals and reporting requirements, which will not be relevant in  
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27 <sup>1</sup> Assembly Bill 2987, Ch. 700, Stats. 2006. The bulk of the Franchise Act is encoded in  
28 California Public Utilities Code Sections 5800-5970.

the early days of the new video franchise framework. For these reasons, SureWest would not oppose addressing non-application related issues in a separate phase of this docket.

**II. THE COMMISSION SHOULD REJECT PROPOSALS TO EXPAND ITS OVERSIGHT ROLE BEYOND THAT AUTHORIZED BY THE FRANCHISE ACT AND FEDERAL LAW.**

The Franchise Act makes explicitly clear that the Commission's role in the oversight of video service providers is strictly limited. For example, the Commission may not "... impose any requirement on any holder of a state franchise except as expressly provided ..." in the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA").<sup>2</sup> The Commission does not have the authority to regulate the rates, terms and conditions of video services, except as explicitly set forth in DIVCA.<sup>3</sup> With respect to the franchise application process specifically, the Commission may not exceed the provisions set forth in California Public Utilities Code Section 5840.<sup>4</sup> In this regard, the Commission's jurisdiction under the Franchise Act is limited to application processing and fees (§ 5840), specified anti-discrimination requirements (§ 5890), reporting of employment (§ 5920) and deployment (§ 5960), basic telephone price increases (§ 5950) and annual fees (§§ 401 and 440-444).

The Legislative Counsel Digest prepared for AB 2987 states that the "bill would enact the Digital Infrastructure and Video Competition Act of 2006 and would establish a procedure for the issuance of state franchises for the provision of video service, which would be defined to include cable service and open-video systems, that would be administered by the Public Utilities Commission. The commission would be the sole franchising authority for state franchises to provide video services." This summary supports the conclusion that the legislature intended a narrowly confined role for the Commission relative to its oversight of the video service market.

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<sup>2</sup> Cal. Public Util. Code § 5840(a).

<sup>3</sup> Cal. Public Util. Code § 5840(c).

<sup>4</sup> Cal. Public Util. Code § 5840(b).

1 Furthermore, the Franchise Act sets forth the exact timeframe in which the Commission  
2 must act on franchise applications, providing further indicia of the Commission's limited role  
3 relative to the video services market. Even comments filed by local jurisdictions conceded the  
4 "ministerial nature of state franchising."<sup>5</sup>

5 As a further constraint on the Commission's role in the video services market, federal law  
6 also limits the Commission's authority as to what it can review and regulate in the provision of  
7 cable services. Section 621 and 626 of the Communications Act of 1934,<sup>6</sup> as amended by the  
8 1996 Act, outline the role of local franchising authorities with regard to regulation of cable.  
9 Specifically, 621(c) states that "Any cable system shall not be subject to regulation as a common  
10 carrier or utility by reason of providing any cable service." The Commission may not exceed  
11 national standards applied to state and local authorities.

12 Ignoring this statutory framework and the explicit limits on the Commission's authority,  
13 several parties propose a broad expansion of the Commission's role in the video services market.  
14 For example, the Greenlining Institute ("Greenlining") would expand the franchise application  
15 form to require applicants to provide the following information:

- 16 1) Efforts to help close the digital divide;
- 17 2) Efforts to fund access to new technologies by underserved communities;
- 18 3) Demonstrated diversity at all levels of employment and management; and
- 19 4) Business opportunities created by franchise applicants for small businesses, and,  
20 in particular, small minority and women-owned businesses.<sup>7</sup>

21 However, nowhere in the Franchise Act is there explicit authorization for the Commission to  
22 require such information of applicants.

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24 <sup>5</sup> League of California Cities and the States of California and Nevada Chapter of the National  
25 Association of Telecommunications Officers and Advisors ("League/SCAN NATOA") Joint  
26 Opening Comments , p. 4.

26 <sup>6</sup> 47 U.S.C. §§ 541, 546.

27 <sup>7</sup> Greenlining Opening Comments, p. 2.

1 Similarly, the joint comments of the California Community Technology Policy Group and  
2 Latino Issues Forum ("CCTPG/LIF") contend that the Commission should use the OIR to "...  
3 institute comprehensive regulations over video services."<sup>8</sup> CCTPG/LIF also contend that "... the  
4 Commission is now charged with ensuring that the franchises meet expectations similar to those  
5 imposed on other utilities regulated by the Commission."<sup>9</sup> However, it is impossible to construe  
6 the Franchise Act to condone the promulgation of comprehensive regulations relative to the video  
7 services market, and any suggestion to treat video service providers similar to public utilities is  
8 clearly contrary to the explicit declarations of the Franchise Act and federal statute.<sup>10</sup>

9 Recommendations to substantially increase the Commission's role in the video services  
10 market beyond that already identified in the proposed General Order exceed the scope of the  
11 Franchise Act and should be rejected. Instead of looking to expand the provisions of the proposed  
12 General Order, the Commission should carefully consider whether each of the proposed General  
13 Order's provisions finds authority in the Franchise Act. Furthermore, "Rather than anticipating  
14 compliance problems based on pure speculation, the Commission should wait to see if any  
15 problems materialize and then address them in the appropriate fashion at that time."<sup>11</sup> With these  
16 principles in mind, the result of this proceeding should be a narrowly tailored general order that  
17 encourages competition in video markets with minimal regulatory interference.

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24 <sup>8</sup> CCTPG/LIF Opening Comments, p. 3.

25 <sup>9</sup> CCTPG/LIF Opening Comments, p. 4.

26 <sup>10</sup> *See, e.g.*, 47 U.S.C. § 541(c) ("Any cable system shall not be subject to regulations as a common  
27 carrier or utility by reason of providing any cable service.")

28 <sup>11</sup> Verizon California Inc. ("Verizon") Opening Comments, p. 18.

1 **III. THE COMMISSION SHOULD NOT AUTHORIZE PROTESTS OF FRANCHISE**  
2 **APPLICATIONS.**

3 The OIR tentatively concludes that no person or entity may protest a franchise  
4 application.<sup>12</sup> Consistent with this determination, the proposed General Order does not include a  
5 provision that would permit the protest of a franchise application.

6 Several parties, however, contend that the Commission should permit protests of franchise  
7 applications.<sup>13</sup> According to one party, the Legislature would not have required service of an  
8 application on a local jurisdiction if the Legislature did not intend for the opportunity to protest the  
9 application.<sup>14</sup> This rationale ignores that the filing for a state franchise can have significance for  
10 those jurisdictions that have previously issued local franchises, and requiring notice of the filing  
11 permits the local jurisdiction to anticipate next steps flowing from that development (e.g., an  
12 existing local franchisee abrogating its local franchise). TURN contends that the absence of  
13 express statutory authority to permit protests "is hardly a definitive expression of legislative  
14 intent."<sup>15</sup> TURN is incorrect. As discussed earlier, Section 5840(b) states that the application  
15 process may not exceed the provisions set forth in Section 5840. Section 5840 does not authorize  
16 protests of franchise applications; therefore, protests are not permitted.

17 If the Commission nonetheless changes course and authorizes protests of franchise  
18 applications, the Commission should do so in a manner consistent with the policy of the Franchise  
19 Act, namely to make the Commission's review as ministerial as possible. In other words, any  
20 opportunity to protest a franchise application should be limited to specific defects in the  
21 application only so as not to open up the process to issues beyond the Commission's jurisdiction.  
22 Specifically, the Commission, if it is inclined to create a protest opportunity, should limit the

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24 <sup>12</sup> OIR, p. 11.

25 <sup>13</sup> League/SCAN NATOA Joint Opening Comments, pp. 8-9; City of Berkeley Opening  
26 Comments, pp. 2-4; Consumer Federation of California Opening Comments, pp. 4-5; The Utility  
27 Reform Network Opening Comments, pp. 3-6.

28 <sup>14</sup> League/SCAN NATOA Joint Opening Comments, p. 9.

<sup>15</sup> TURN Opening Comments, p. 3.

1 scope of a protest to either of two items – completeness or accuracy. Any other concern raised  
2 during the course of the application process is beyond the Commission's jurisdiction and should  
3 not be permitted as a valid basis for protesting a franchise application.

4 Furthermore, if the Commission does authorize protests, the pool of potential protesters  
5 should be limited to those local jurisdictions that are impacted by a particular state franchise  
6 application. Local jurisdictions are ultimately responsible for the interests of their constituents  
7 and will have sufficient interest to vet the completeness and accuracy of an application. The  
8 Franchise Act contemplates a streamlined process for franchise applications, and allowing protests  
9 from all comers would create an opening to undermine the legislative intent behind the Franchise  
10 Act.

11 An additional note pertaining to the Division of Ratepayer Advocates ("DRA") is relevant.  
12 Section 5900(k) proscribes the advocacy DRA may undertake relative to video franchise matters.  
13 In particular, DRA is only authorized to advocate on behalf of video customers with respect to  
14 franchise renewals, compliance with build-out requirements, compliance with customer service  
15 and privacy requirements, and the rate freeze imposed on telephone companies.<sup>16</sup> Section 5900(k)  
16 does not give DRA the authority to participate in the initial application process. The Legislative  
17 Counsel Digest confirms DRA's limited role in the video franchise process: "The bill would  
18 authorize the commission's Division of Ratepayer Advocates to advocate on behalf of video  
19 service customers in connection with state franchise renewal and enforcement of service  
20 standards." Accordingly, if the Commission does create a protest opportunity, DRA is statutorily  
21 excluded from filing such protests.

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27 <sup>16</sup> Cal. Public Util. Code § 5900(k).  
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1 **IV. THE COMMISSION SHOULD NOT ENTANGLE PARENT COMPANIES AND**  
2 **AFFILIATES IN THE FRANCHISE PROCESS OR LIMIT THE AVAILABILITY**  
3 **OF FRANCHISES.**

4 In its opening comments, SureWest argued against the proposed General Order's definition  
5 of "State Video Franchise Holder," which would treat as a franchise holder an applicant's parent  
6 company and all its affiliates. SureWest also opposed the proposal to limit each family of  
7 companies to one state-issued franchise. Many of the parties filing opening comments echo  
8 SureWest's concerns.

9 Verizon provides several additional reasons why it would be inappropriate to treat a parent  
10 company as the holder of a state-issued franchise.<sup>17</sup> For example, a parent company may not have  
11 the requisite permits or certifications to conduct business in California. The requirement exceeds  
12 the authority granted to the Commission by the Franchise Act; nothing in that statutory framework  
13 suggests that the Commission may dictate which corporate entity may hold a franchise. The  
14 identified issues that the "solution" is intended to fix are completely hypothetical and unlikely to  
15 occur. Furthermore, other less onerous means are available for addressing the hypothetical issues,  
16 such as tailoring required reporting requirements to cover the franchise holder and its affiliates.

17 The California Cable and Telecommunications Association ("CCTA") also raises  
18 compelling issues why the Commission should eliminate the requirement in the proposed General  
19 Order that a family of companies may hold only one state franchise.<sup>18</sup> Such a requirement could  
20 trigger significant tax liabilities which must be factored into the relative merits of the prohibition.  
21 The requirement could also trigger complex corporate reorganizations that could impact local  
22 jurisdictions and minority owners.

23 Given these added concerns, SureWest reiterates its proposal that the Commission revise  
24 the proposed General Order's definition of "State Video Franchise Holder." With respect to  
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26 <sup>17</sup> Verizon Opening Comments, pp. 13-18.

27 <sup>18</sup> CCTA Opening Comments, pp. 6-8.

1 issuing multiple franchises to affiliates, the Commission should wait to evaluate the video services  
2 landscape before imposing a limitation that is merely authorized, not mandated, under the  
3 Franchise Act.

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5 **V. THE COMMISSION SHOULD NOT ADOPT REVISIONS PROPOSING**  
6 **COMPREHENSIVE REGULATIONS RELATED TO CROSS-SUBSIDIZATION.**

7 In its opening comments, DRA contends that the proposed General Order does not  
8 adequately regulate the prohibition against cross-subsidization contained in the Franchise Act.<sup>19</sup>  
9 To remedy this perceived deficiency, DRA proposes to add onerous provisions to the proposed  
10 General Order, including 1) quarterly reports at the wire center level regarding rate increases for  
11 basic residential service; 2) quarterly reports of financial and engineering information showing the  
12 cost of deploying a company's network; and 3) the authority to audit state franchise holders.

13 The Commission should reject DRA's proposed revisions. Similar to issues raised above,  
14 the Franchise Act provides no authority to the Commission to adopt an expansive reporting and  
15 audit requirement along the lines suggested by DRA. Furthermore, the Franchise Act only  
16 provides the Commission with ministerial responsibilities with respect to review and authorization  
17 through the state franchising process. Video service providers are not public utilities, but DRA's  
18 proposal would treat them as though they are.

19 On the topic of cross-subsidization, the Franchise Act, at Section 5940, provides only that:

20 5940. The holder of a state franchise under this division who also  
21 provides stand-alone, residential, primary line, basic telephone service  
22 shall not increase this rate to finance the cost of deploying a network to  
23 provide video service.

24 After setting forth this prohibition, the Franchise Act, at Section 5950, then outlines the  
25 Commission's authority for addressing cross-subsidization, stating:

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27 <sup>19</sup> DRA Opening Comments, p.3; *see* Cal. Public Util. Code § 5940.  
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1           5950. The commission shall not permit a telephone corporation that is  
2           providing video service directly or through its affiliates pursuant to a state-  
3           issued franchise as an incumbent local exchange carrier to increase rates  
4           for residential, primary line, basic telephone service above the rate as of  
5           July 1, 2006, until January 1, 2009, unless that telephone corporation is  
6           regulated under rate of return regulation. However, the commission may  
7           allow rate increases to reflect increases in inflation as shown in the  
8           Consumer Price Index published by the Bureau of Labor Statistics. This  
9           section does not affect the authority of the commission to authorize an  
10          increase in rates for basic telephone service that is bundled with other  
11          services and priced as a bundle. Nothing in this section is intended to  
12          prohibit implementation of commission decision D. 06-04-071 to the  
13          extent it has not been implemented prior to July 1, 2006.

14       Notably, Section 5950 does not give the Commission the authority to institute onerous  
15       reporting requirements or to undertake audits to content itself regarding the absence of  
16       cross-subsidization.

17           The cross-subsidy issue was very much a concern of TURN and DRA during the  
18       legislative process, and Sections 5940 and 5950 were incorporated into the legislation to deal with  
19       those concerns. The Franchise Act protects consumers from the cross-subsidy issue by imposing a  
20       two year rate freeze on basic service rates. However, the legislative negotiations and compromises  
21       did not include ongoing reporting requirements or audits.

22           DRA's proposal is completely contrary to the pro-competition policy permeating the  
23       Franchise Act, which finds no room for the outdated, command-and-control approach to regulation  
24       embodied in DRA's proposal. Furthermore, the Franchise Act does not contemplate DRA playing  
25       a role with regard to the cross-subsidy issue. The Legislative Counsel Digest summarizing the  
26       Franchise Act specifically states that "The bill would authorize the commission's Division of  
27       Ratepayer Advocates to advocate on behalf of video service customers in connection with state  
28       franchise renewal and enforcement of service standards." Further, as discussed previously,

1 Section 5900(k) only provides that DRA "shall have authority to advocate on behalf of video  
2 customers regarding renewal of a state-issued franchise and enforcement of Sections 5890, 5900,  
3 and 5950." Accordingly, the Franchise Act does not provide DRA or the Commission a role with  
4 regard to cross-subsidization beyond a violation of the rate freeze. Any enforcement activities on  
5 its own motion relative to cross-subsidization are outside the Commission's authority as such  
6 authority is provided for in the Franchise Act.<sup>20</sup>

7 In its opening comments, TURN contends the Commission has failed to propose adequate  
8 regulations to address the cross-subsidy prohibition.<sup>21</sup> However, as TURN points out in its  
9 comments, the Bill Analysis prepared for AB 2987 specifically states that the "bill deals with the  
10 potential for cross-subsidization by freezing rates for basic residential telephone service at current  
11 levels until 2009, with PUC authorized to raise those rates to reflect inflation increases."  
12 Accordingly, contrary to TURN's assumption, the legislature has outlined the full scope of  
13 Commission activity intended in this area, i.e., the two year rate freeze. As discussed throughout  
14 these reply comments, the Commission has received only a narrowly tailored scope of authority  
15 and, unless explicitly provided in the Franchise Act, lacks authority to undertake the extensive  
16 regulatory activities advocated by TURN. Furthermore, the Franchise Act explicitly excludes  
17 from Commission jurisdiction any authority over the rates, terms and conditions of service related  
18 to video services, other than as specified in the Franchise Act. Nothing in the Franchise Act  
19 provides the Commission the authority to mandate the comprehensive information tracking and  
20 reporting requirements TURN deems necessary.

21 In addition and as discussed in more detail above, federal laws prevents the Commission  
22 from instituting the substantial regulatory oversight regarding cross-subsidization of video service  
23 providers proposed by DRA and TURN.

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25 <sup>20</sup> In the competitive market that video services already occupies, the Commission can be certain  
26 that competitors will have appropriate incentives to police compliance with the prohibition  
27 provided in Section 5940 and bring appropriate legal action if necessary.

28 <sup>21</sup> TURN Opening Comments, p. 8.

1 **VI. THE COMMISSION SHOULD NOT AWARD INTERVENOR COMPENSATION**  
2 **FOR PARTICIPATING IN VIDEO-RELATED PROCEEDINGS.**

3 In its opening comments, SureWest opposed the idea of awarding intervenor compensation  
4 to entities participating in the video franchise process. Without repeating the entire analysis here,  
5 SureWest concurs in the detailed statutory analysis provided by Verizon that demonstrates the  
6 Commission has no authority to award intervenor compensation for participation in proceedings  
7 related to oversight of entities that are not public utilities.<sup>22</sup> On this basis, the Commission should  
8 reject any proposal to permit the award of intervenor compensation in video franchise related  
9 proceedings.

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11 **VII. THE COMMISSION SHOULD ALLOCATE YEAR ONE COSTS OVER**  
12 **MULTIPLE YEARS AND BASE RECOVERY ON HOUSEHOLDS COVERED BY**  
13 **ISSUED STATE FRANCHISES.**

14 In its opening comments, SureWest proposed allocating the Commission's Year One  
15 regulatory costs over a period of years based on households covered by state franchises issued.  
16 SureWest continues to support this methodology for allocating and recovering this cost.

17 In its opening comments, Verizon suggests allocating Year One costs based on telephone  
18 lines served by a franchise holder (and presumably its affiliates).<sup>23</sup> While Verizon's proposal is  
19 not unreasonable, it does raise some concerns for SureWest. First, the question arises whether  
20 Voice over Internet Protocol ("VoIP") "lines" would be factored into the analysis. In addition,  
21 there is no direct nexus between telephone lines and the decision to file for a state-issued  
22 franchise. While it is true that the two major telephone companies are expected to apply for state  
23 franchises, such franchises are not solely available to telephone companies, and the costs should  
24 be shared equitably among all state franchisees.

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27 <sup>22</sup> Verizon Opening Comments, pp. 3-5.

28 <sup>23</sup> Verizon Opening Comments, p. 23.

1 AT&T California ("AT&T") supports the proposal to allocate Year One costs based on the  
2 number of franchise holders.<sup>24</sup> AT&T's support is obviously self-serving, because under any other  
3 approach to allocating fees, AT&T, as the entity with the largest service area by geography or  
4 population, is likely to incur the largest proportion of these costs. Allocating costs consistent with  
5 the proposed General Order, however, would reduce costs that should otherwise be borne by  
6 AT&T and could erect a significant barrier to entry for small companies seeking to compete  
7 against entrenched incumbents, including AT&T.

8 Regardless of the allocation method, SureWest does not believe it is fair to allocate all  
9 start-up regulatory expenses to Year One franchise holders. On this basis, SureWest reiterates its  
10 proposal to amortize Year One User Fees into subsequent years. A five year amortization period  
11 would be reasonable.

12  
13 **VIII. THE COMMISSION SHOULD ADOPT VERIZON'S DEFINITION OF**  
14 **"SOCIOECONOMIC STATUS."**

15 The Franchise Act requires some amount of reporting on a "socioeconomic status" basis.<sup>25</sup>  
16 The proposed General Order adopts an overly broad definition of "socioeconomic status,"  
17 requiring applicants to report broadband availability, video availability, both generally and with  
18 respect to low-income households. However, the proposed General Order does not follow  
19 applicable statutory provisions. The proposed General Order should be modified to conform with  
20 the statutory framework, and SureWest concurs with Verizon's proposal to limit the definition of  
21 "socioeconomic status" to income information.<sup>26</sup>

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26 <sup>24</sup> AT&T Opening Comments, p. 11.

27 <sup>25</sup> Cal. Public Util. Code § 5840(e)(6).

28 <sup>26</sup> Verizon Opening Comments, pp. 9-11.

1 **IX. THE COMMISSION SHOULD MAINTAIN THE \$100,000 BOND**  
2 **REQUIREMENT.**

3 Some parties express concern that a \$100,000 bond requirement is inadequate.<sup>27</sup> While  
4 SureWest believes that the \$100,000 bond required by the proposed General Order is appropriate  
5 and consistent with the intent of the Franchise Act, if the Commission elects to modify the bond  
6 requirement, any revision should not be based on a one-size-fits-all approach. For a smaller video  
7 service provider like SureWest, a massive bond requirement that might be deemed appropriate for  
8 a larger provider and its concurrently larger areas served would be an impediment to SureWest  
9 and other small carriers providing video competition to small areas of the state. As a further  
10 consideration, the Commission could build on the Franchise Act's distinction between video  
11 service providers (and their affiliates) serving greater than 1,000,000 telephone lines,<sup>28</sup> and require  
12 that video service providers with less than 1,000,000 telephone lines are subject to the \$100,000  
13 bond requirement, and video service providers with greater than 1,000,000 telephone lines are  
14 subject to a higher bond requirement.

15  
16 **X. CONCLUSION.**

17 Based on the foregoing, the Commission should reject proposals to expand the  
18 Commission's role in the video services market beyond that authorized in the Franchise Act. The  
19 Commission should also adopt a set of franchise rules that closely tracks the statutory framework  
20 of the Franchise Act. Finally, the Commission should revise the proposed General Order, the  
21 application forms and other requirements related to video franchises as presented in SureWest's  
22 opening and reply comments.

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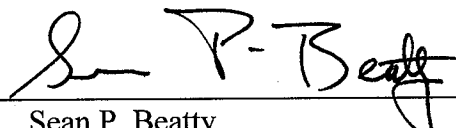
<sup>27</sup> See, e.g., City of Pasadena Opening Comments, p. 3.

<sup>28</sup> See, e.g., Cal. Public Util. Code § 5890.

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Dated this 1st day of November, 2006, at San Francisco, California.

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CERTIFICATE OF SERVICE BY MAIL


I, Noel Gieleghem, declare:

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is COOPER, WHITE & COOPER LLP, 201 California Street, 17<sup>th</sup> Floor, San Francisco, CA 94111.

On November 1, 2006, I served the **REPLY COMMENTS OF SUREWEST TELEVIDEO (U 6324 C)** by placing a true and correct copy thereof with the firm's mailing room personnel, for mailing in accordance with the firm's ordinary practices, addressed to the parties on the CPUC's service list for R. 06-10-005. Copies were also served via e-mail on those parties on this list who provided an e-mail address.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 1, 2006, at San Francisco, California.

  
\_\_\_\_\_  
Noel Gieleghem

## SERVICE LIST

### **CPUC Service List as of October 31, 2006 Case No. R.06-10-005 (Video Franchise/DIVCA)**

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